NEW MODES OF INTEREST REGULATION? TYPES AND OUTCOMES OF NON-STATUTORY EMPLOYEE REPRESENTATION IN GERMAN PRIVATE COMPANIES

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For decades, research on firm level interest representation in Germany focussed on Works Councils (WCs), which are based on the German Works Constitution Act ('Betriebsverfassung') and were regarded to be the compelling model in German private companies. Only in recent years, a number of surveys pointed out that only about 10% of the companies in fact possess a WC, while in a considerable share of companies collective employee representation is conducted by not legally based bodies. According to some analysis, those non-statutory employee representation bodies (NSRs) exist in 10-19% of German private companies. It was assumed that rationales to install an NSR are avoiding a WC, which is often regarded as cost intensive or retarding company restructuring, or the labour identities and preferences of qualified employees. However, despite a number of quantitative surveys and case study research in single industries (new economy), for a long time it was still vague, how NSRs come into being, what they actually do and if they benefit employee interest representation.

The contribution proposed analyses the NSRs' functions and outcomes regarding employee interest representation. Based on case study research in eight German small and medium sized enterprises, it is argued that four different types of NSRs can be distinguished. Only a part of those bodies can be regarded 'alternatives' compared to the WC-model. Another part comprises management initiated and controlled NSRs. By installing those bodies management, selectively, seeks to reduce complexity, improve decision making processes, or prevent the election of a WC. It is demonstrated that on the one hand, the interaction terms between management and NSRs differ from what is known about the interaction of management and WCs. On the other hand, there is a lot of variation in the 'participation patterns' of the different NSR-types and their chances to influence company decisions in favour of employees.

Regarding the areas listed in the call, this paper might concern #4, 7, and 8.